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Harold E. Stassen, Esq.
 Director of Mutual Security
 Washington, D. C.

Dear Harold:

Following up our conversation on Soviet steel production, I thought you might be interested in the current estimates carried by this Agency. The figures given below are reasonably firm for 1951. For 1952, we are compelled to rely for the moment on Malenkov's statement to the 19th Party Congress last October which is, however, consistent with our latest projections. For 1955, we have accepted a compromise figure splitting the difference between the five-year plan goal and Malenkov's slightly more optimistic statement. The current and future China figures are considerably more wobbly, but any likely error would not affect the Bloc total significantly.

Raw Steel Production
 (Millions of tons)

	1951		1952		1955	
	<u>Metric-Short</u>		<u>Metric-Short</u>		<u>Metric-Short</u>	
USSR	31.1	34	35	38.5	44	48.2
Eur. Satellites	7.5	8.2	8	8.8	9	9.2
China	.2	1	1	1.1	2	2.2
Bloc	39.5	43.2	44	48.4	55	59.6

To my mind the real significance lies not in the absolute production figures but in the rate at which the Bloc has been closing the gap between it and ourselves. In 1948 the Bloc's total production was approximately twenty-three million metric tons or approximately one-quarter of the US production, whereas by 1955 it will be very nearly one-half of ours.

Faithfully yours,

(Signed) ALLEN W. DULLES

Allen W. Dulles
 Acting Director

RAJr/rmr

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